



Port Concessions: Global Experience & Strategic Insights

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The iCASPort logo is located in the bottom right corner. It features a stylized orange 'i' icon above the text 'iCASPort' in a white, sans-serif font. The entire logo is set against a purple rectangular background.

iCASPort

Agenda

1 Introduction to port concessions

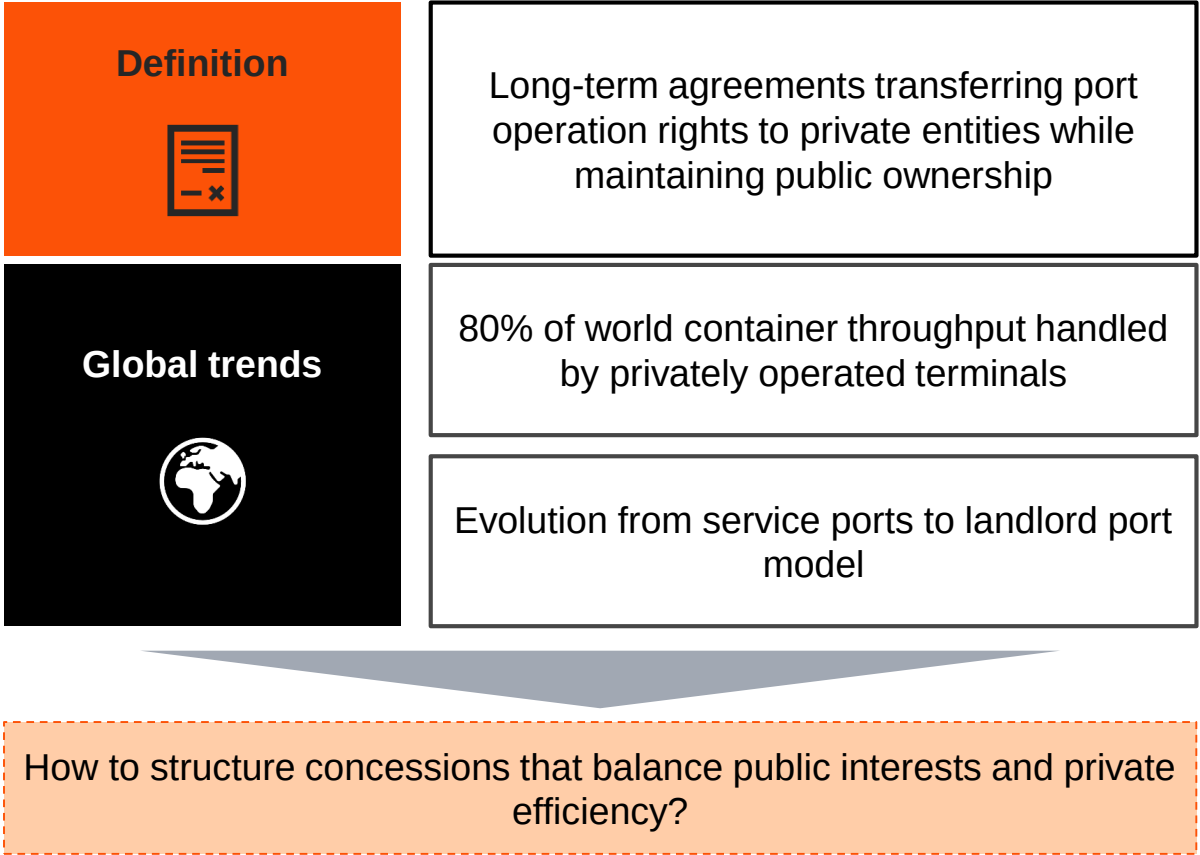
2 Structuring successful concessions (Case studies analysis)

3 The future of port concessions

4 Key take aways

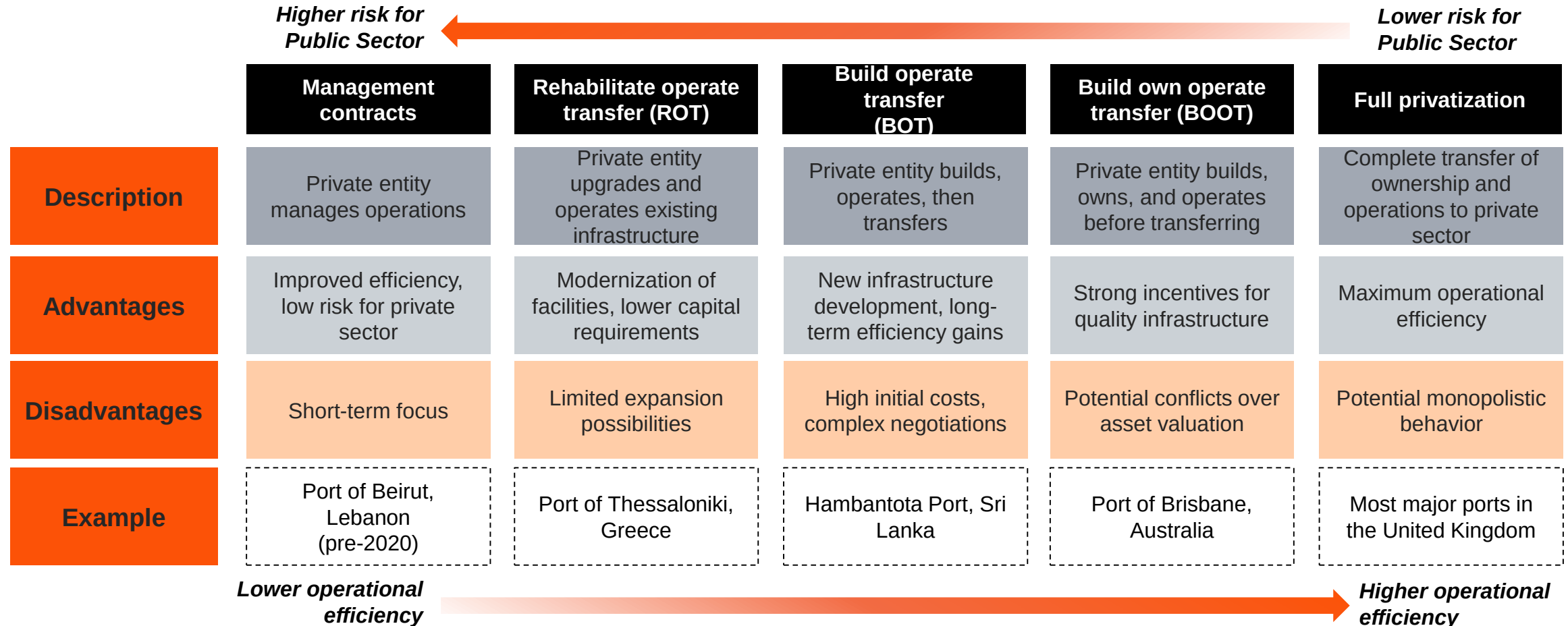
Port concessions are crucial in modernizing global maritime trade, optimizing efficiency while preserving public interests

Port concessions: Strategic framework for maritime growth



Port management models range from simple contracts to full privatization, each offering unique trade-offs between efficiency, investment, and public control

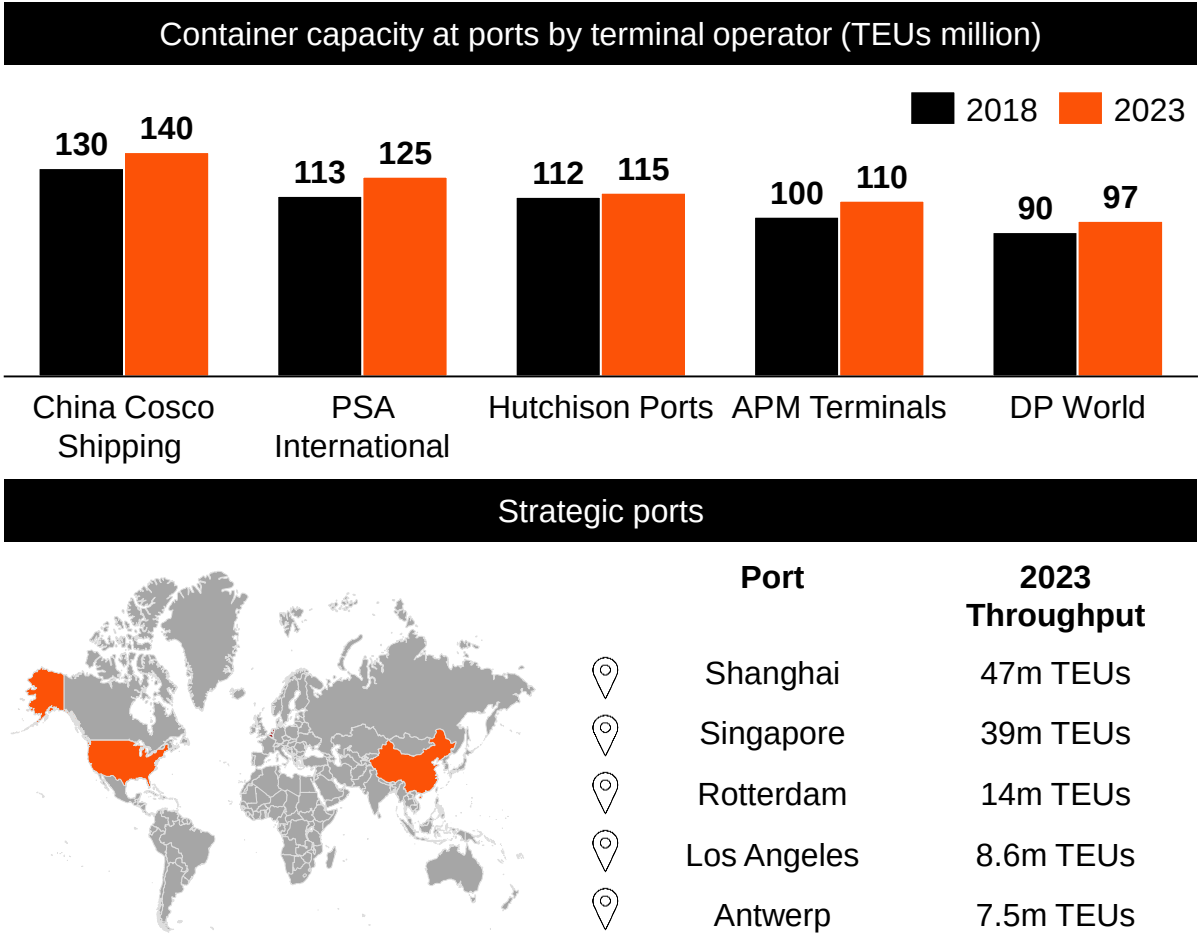
Diverse approaches to port management



The global container terminal industry is shaped by a small group of dominant players and long-term strategic trends

Key actors & market trends

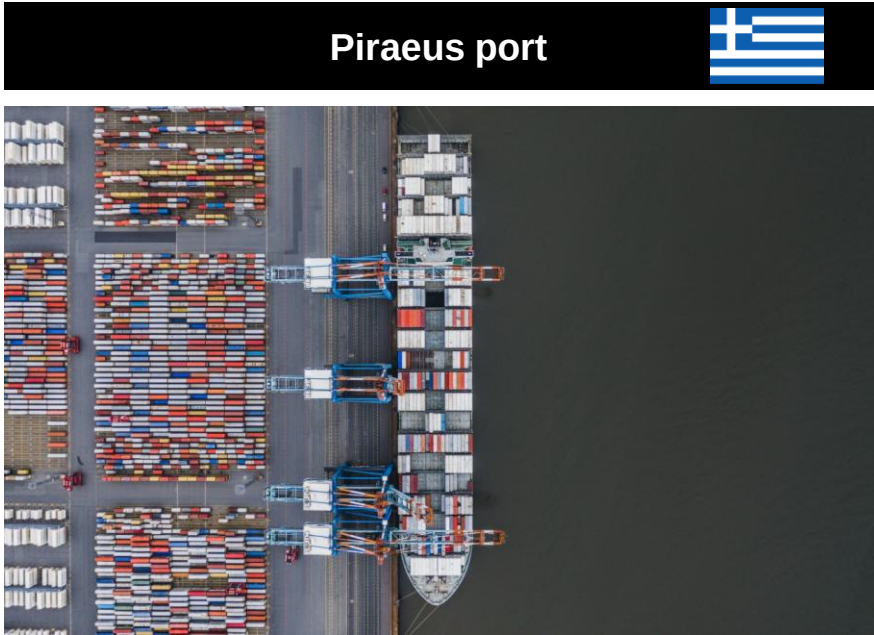
Global terminal operators	- China Cosco Shipping - PSA international - Hutchison Ports - APM Terminals - DP World
Market consolidation	Top 10 terminal operators control over 80% of global container throughput
Concession duration	Agreements duration 30 – 50 years
Investment trends	Investments range from €50m to €200m (Medium-sized container terminals)



COSCO turned Piraeus into a global gateway—elevating it to a top European port through rapid growth investment and strategic transformation

COSCO investment & transformation

CASE STUDY



- Initial concession signed in 2008, with a significant expansion in 2016 to accommodate growing operational demands
- Over €600m invested in port infrastructure, modern handling equipment, and digital systems

Container throughput



Increased from 1.5m TEUs in 2010 to 5.8m TEUs by 2024

Port ranking



Moving from outside the top 15 in Europe to being consistently ranked among the top 5 European ports

Employment



Creation of over 3k direct jobs

Challenges



Labor relations tensions during restructuring

Environmental concerns

Balancing national security interests

Rotterdam's success stems from balanced partnerships driving innovation and sustainability

Public-private partnership excellence

CASE STUDY

Port of Rotterdam



- Port Authority acts as public landlord overseeing operations
- Multiple private operators manage and develop terminal facilities

Key features



- Performance-based fees
- Environmental requirements
- Investment obligations

Innovation highlights



- Smart port initiatives
- Sustainable energy transition

Success factors



- Clear governance
- Regulatory stability
- Strategic vision

Outcome



Maintained position as Europe's largest port while transitioning to sustainable operations

Port of Dar es Salaam's concession failure underscores the need for well-structured agreements and strong oversight in port partnerships

Port of Dar es Salaam, Tanzania

CASE STUDY

Port of Dar es Salaam





2008 concession to TICTS terminated early due to disputes

Ambiguous performance metrics

Inadequate investment provisions

Misaligned incentives between operator and port authority

Regulatory framework limitations

Key lessons

Strong agreements

Clearly define performance targets, investment obligations, and risk-sharing terms

Effective oversight

Establish independent regulators to ensure transparency and accountability

Aligned incentives

Match operator goals with national priorities through smart incentive structures

Institutional capacity

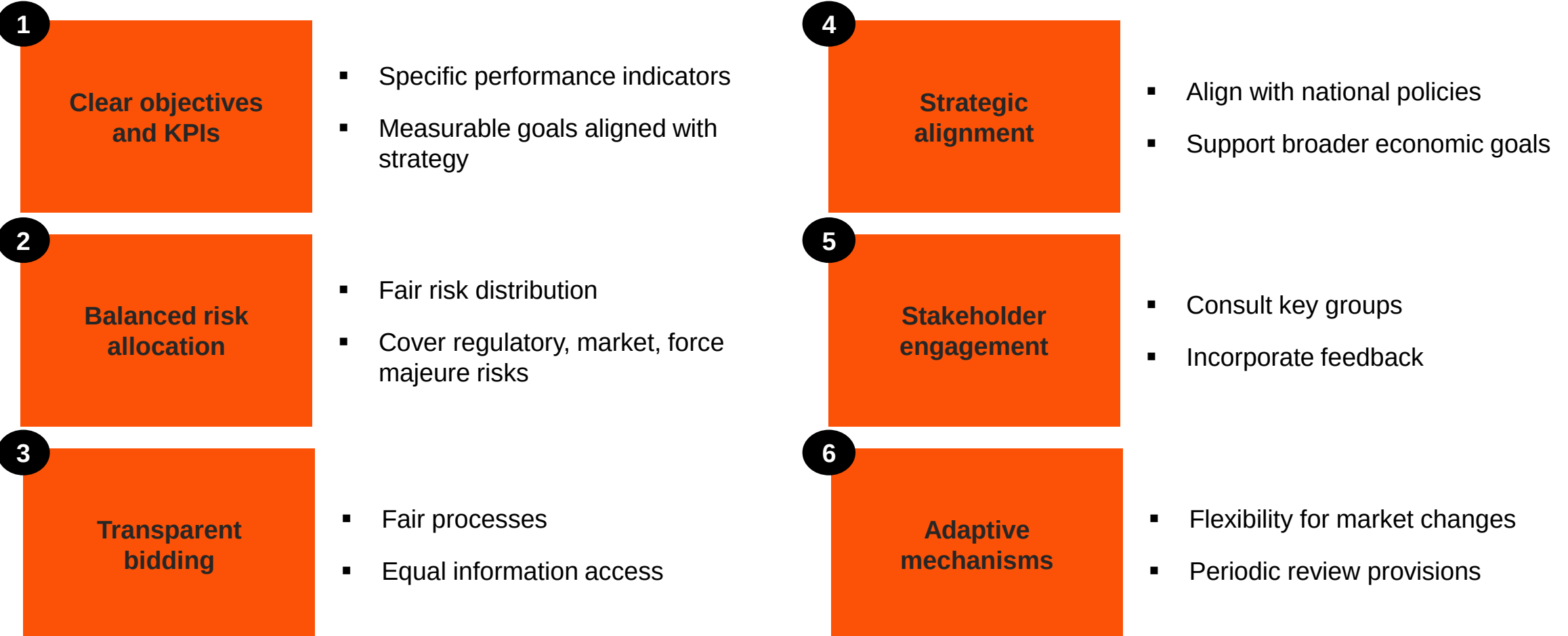
Build skills and systems within port authorities to manage complex partnerships

Port Concessions: Global Experience & Strategic Insights
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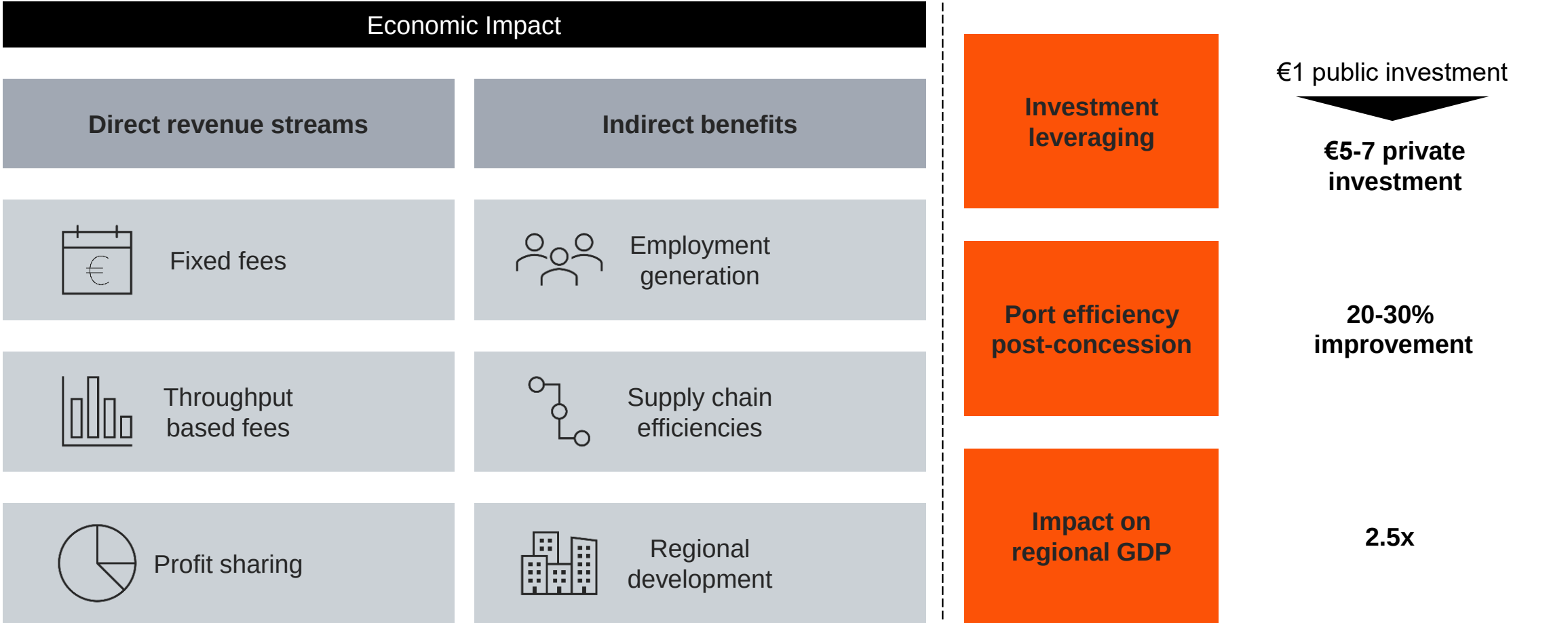
Strategic port concessions blend clear goals and processes to drive performance while adapting to evolving market needs

Strategic elements of effective concessions



Port concessions generate wide-ranging economic benefits, from direct revenue to broader regional development and trade facilitation

Measuring concession value



Effective port concession regulations balance innovation and efficiency with public interest safeguards across multiple domains

Regulatory considerations



- Designing Port Concessions: Global Experience & Strategic Insights requires careful navigation of a complex regulatory landscape
- The goal is to create a framework that attracts investment and promotes efficiency while safeguarding public interests and ensuring long-term sustainability

Key regulatory pillars	
Competition safeguards	▪ Prevent monopolistic behavior ▪ Ensure fair pricing and access
Labor protection provisions	▪ Fair wages and working conditions ▪ Occupational health and safety standards
Environmental standards	▪ Emissions reduction targets ▪ Green infrastructure requirements
Security protocols	▪ ISPS code compliance ▪ Cybersecurity measures
National interest protections	▪ Strategic infrastructure considerations ▪ Foreign investment regulations

Port concessions serve as catalysts for technological innovation, enabling ports to modernize operations and meet evolving industry demands

Innovation in modern port concessions

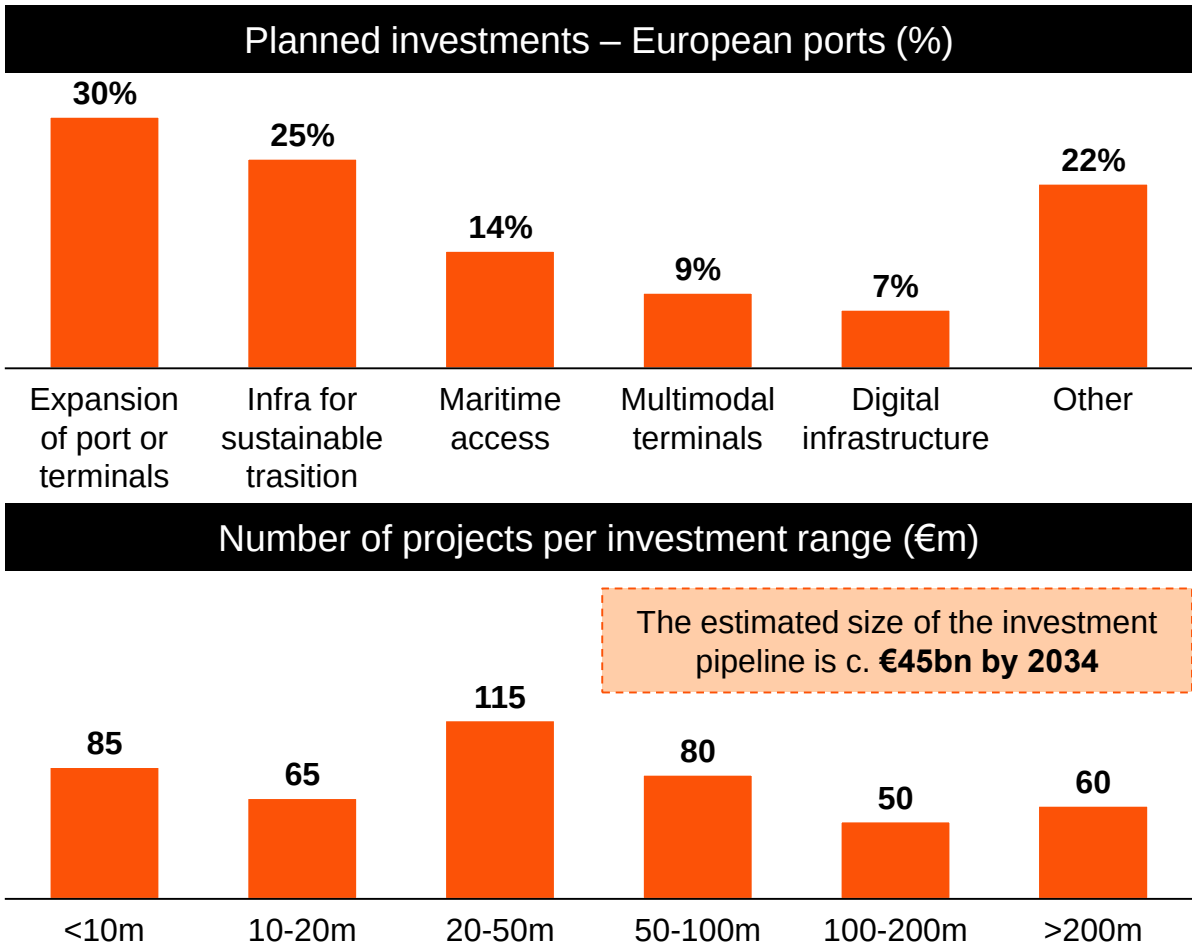
Automation requirements	▪ Semi or fully automated terminal operations ▪ Automated guided vehicles (AGVs)
Digital integration	▪ Port community systems ▪ Blockchain for documentation and trade facilitation
Environmental technology	▪ Shore power infrastructure ▪ Alternative fuels and electric vehicle support
Data Sharing and Analytics	▪ Real-time performance monitoring ▪ Big data analytics for predictive maintenance
Smart Port Infrastructure	▪ IoT sensors ▪ AI-driven optimization of port operations



The planned investments, focusing on expansion, sustainability, and other critical issues, will be significantly supported by the port concessions, enabling the fulfillment of these essential needs

Emerging Trends & Strategic Directions

Flexible terms	Shorter, adaptable concessions (15-25 years)
Green initiatives	Environmental provisions as standard
Multimodal Integration	Seamless logistics network connections
Resilience Focus	Emphasis on adaptability to changes
Advanced Risk-Sharing	Sophisticated mechanisms for risk allocation
Progressive Fees	Public value capture through structured pricing



Port authorities optimize concession agreements and ensure sustainable success by implementing these key practices

Best practices for port authorities



Effective port concessions strategically align public and private interests to drive innovation and create widespread economic value while adapting to local needs

Key takeaways for strategic port development



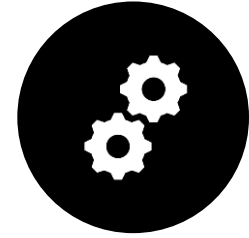
Balanced partnerships

Successful concessions balance public oversight with private efficiency



Structured innovation

Carefully structured agreements drive investment and innovation



Operational Synergy

Effective collaboration between public and private sectors optimizes port operations



Contextual adaptation

Local context matters: No universal concession model works everywhere



Future-ready ports

Future success requires flexibility, sustainability, and technological integration



Broader Impact

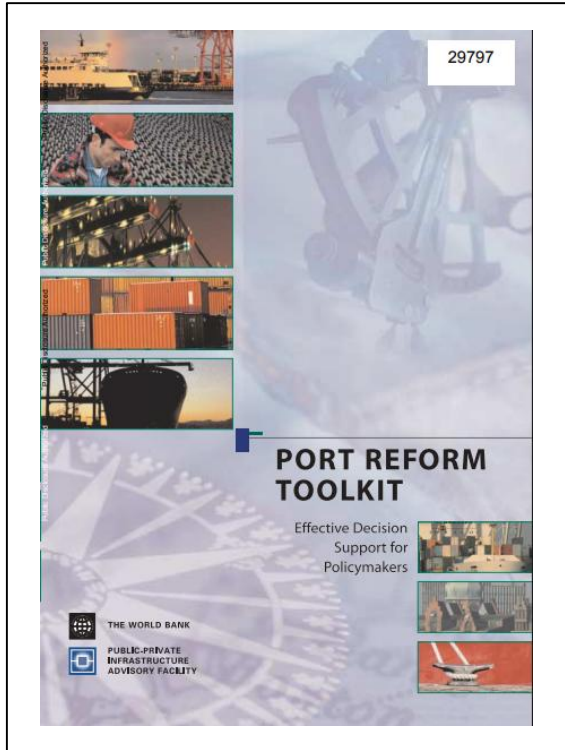
Strategic value extends beyond direct revenue to broader economic impacts

Thank you

Key references

Further reading & resources

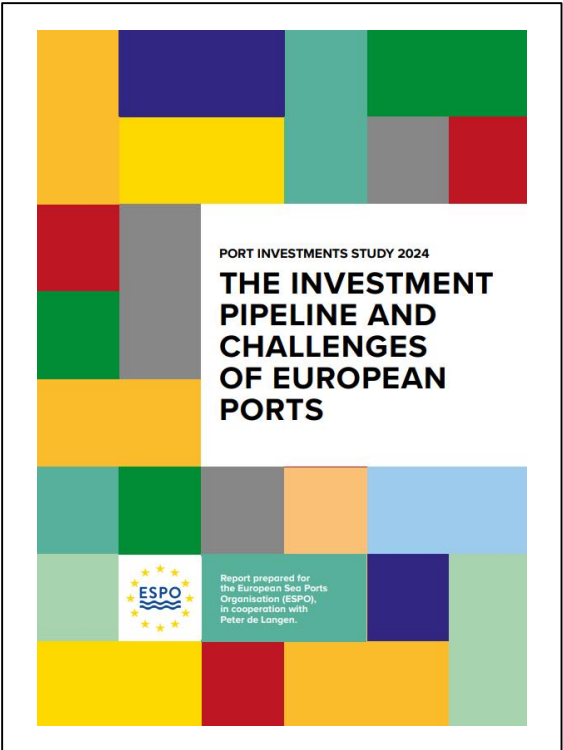
World Bank Toolkit



UNCTAD Review of Maritime Transport



European Sea Ports Organisations



OECD International Transport Forum

